



MTC SALES TAX SIMPLIFICATION COMMITTEE TELECONFERENCE

**WEDNESDAY, SEPTEMBER 27, 2000
3:00pm to 4:30pm EST**

MINUTES

I. Welcome and Introductions

Wayne Eggert, Committee Chair, called the meeting to order. The following individuals participated in the teleconference:

NAME	STATE/ORGANIZATION
Wayne Eggert, Committee Chair	National Tax Association
Mary Cameron	Arkansas Department of Finance and Administration
Bruce Christensen	South Dakota Department of Revenue
Charles Collins	North Carolina Department of Revenue
Carol Fischer	Missouri Department of Revenue
Gary Heuer	South Carolina Department of Revenue
Norm Lobins	American Institute of Certified Public Accountants
Wilma Murphree	Arthur Andersen
Charlotte Quarles	Kentucky Revenue Cabinet
Shirley Sicilian	Kansas Department of Revenue
Tremaine Smith	Washington Department of Revenue
René Blocker	Multistate Tax Commission

II. Public Comment Period

There was no public comment.

III. Reports on Progress of State-Specific Simplification Subcommittees

A number of the State-specific subcommittees reported that their activities have centered on the work of the Streamlined Sales Tax Project. The Ohio and Oklahoma subcommittees reported suspending independent activities to focus on participation in the Streamlined Project. The North Carolina subcommittee is being utilized to help review the Streamlined Project proposals and to help obtain passage of state legislation on proposals. Kansas' subcommittee is reviewing the recommendations of both the Streamlined Project and this Sales Tax Simplification Committee, with the aim of developing uniformity proposals to be submitted for the consideration of the Secretary of Revenue. Missouri is reviewing the measures that need to be taken to implement the Streamlined Sales Tax System. Beyond the Streamlined Project, Illinois reported the State is under a directive to review all regulations and a study is being chartered to determine how to reduce the number of sales

tax returns that are filed; Nebraska reported that Internet filing of sales tax returns is now available.

The Committee discussed the possible role that the State-specific subcommittees could play as a resource to assist the Streamlined Project. The group reached a consensus on “melding” the subcommittees into the Streamlined Project activities. Members of the State-specific subcommittees will be contacted and advised to work with State tax agency personnel on Streamlined Project efforts.

IV. Impact of Streamlined Sales Tax Project on Work of Committee and Task Forces

Although the State-specific subcommittees will move their activities into the Streamlined Project, this Committee acknowledged that there remain some sales/use tax simplification issues that the Streamlined Project is not currently addressing. In order to allow the States and industry representatives to continue their focus on the Streamlined Project, the Committee agreed to suspend activities at both the State-specific level and the Committee level for at least 90 days, after which the group will reconvene to identify issues not under development by the Streamlined Project that this Committee might handle. The work of the Task Forces will proceed as follows:

- A. *Exemption Processing Task Force.* This Task Force will fold its activities into the work of the Streamlined Project Tax Base Work Group on exemption administration.
- B. *Situs Task Force.* The current composition of this Task Force includes only business representatives and academics. Instead of attempting to expand the membership to include state representatives, this group will focus its attention on reviewing and commenting on the sourcing rule under development by the Sourcing Work Group of the Streamlined Project. Comments from this Task Force on the draft sourcing rule are expected by mid-October.
- C. *Refund Claims Process Task Force.* Although this progress has been slow in this Task Force, the work of this group has the potential to continue because the issue is one not under consideration currently by the Streamlined Project. State representation will be needed for this Task Force. A more concrete decision on the continuation of the work of this Task Force is expected to be made at the next Committee meeting.

V. Selection of Other Topics Committee May Address

The Committee discussed a number of potential topics for the future work of Sales Tax Simplification Committee. Some of the topics suggested were:

- ◆ Refund claim processing;
- ◆ Uniform standards for managed audits and managed compliance agreements, computer-assisted auditing and audit sampling;
- ◆ Improving communications and education on state tax issues; and
- ◆ Improving training of state tax professionals.

The Committee Chair will review the list of simplification ideas developed by the Committee and identify possible topics and task forces. These topics will be discussed at the Committee's next meeting.

VI. Update on Work of Related Projects of Other Organizations

Northwest Regional Pilot Project

The three participating States, Idaho, Utah, and Washington, held a recent meeting in September. A good portion of the discussion was on the Streamlined Project and on the future of the Regional effort.

In response to a question about the Advisory Commission on Electronic Commerce, Tremaine Smith (WA) noted the various bills pending in Congress generated by various participants in the Advisory Commission process. He indicated, however, that there has been no activity by the Commission since the submission of the report.

EDI Task Force

It was noted that at its July annual meeting, the Multistate Tax Commission adopted the Model Direct Payment Permit Regulation, which was developed by the joint industry-state group led by the FTA.

This Task Force currently is working on a statistical sampling white paper and a report on business-to-business electronic commerce and associated state tax issues. (Per the request of the teleconference meeting participants, a list of the EDI Task Force members is attached to these minutes as Attachment A.)

VII. Future Meeting Plans

The next teleconference meeting of the Sales Tax Simplification Committee is scheduled for **Wednesday, January 24, 2001, at 3:00 pm (Eastern)**. The agenda for this meeting will include a review of the Streamlined Sales Tax Project activities and a discussion of the direction of this Committee.

VIII. Adjournment